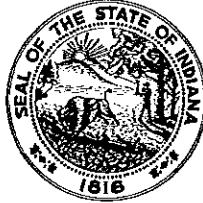


# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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**TO:** All County Auditors

**FROM:** Micah G. Vincent, Commissioner *MGV*

**RE:** Veterans' Deductions

**DATE:** July 8, 2013

On June 12, 2013, the General Assembly overrode Governor Mike Pence's veto of House Enrolled Act 1546 ("HEA 1546"), thereby enacting HEA 1546. Sections 1, 2, 3, 19, and 46 introduce changes affecting the veterans' deductions and excise tax for veterans and their surviving spouses. This memorandum addresses these changes. Please note that this memorandum is intended to be an informative bulletin; it is not a substitute for reading the law.

Sections 1 and 2 amend IC 6-1.1-12-13 (deduction for veteran with partial disability) and IC 6-1.1-12-14 (deduction for totally disabled veteran or veteran age 62 and partially disabled), respectively, so that the surviving spouse of a veteran may receive these deductions if the veteran satisfied the eligibility requirements of these deductions at the time of his or her death and the surviving spouse owns or is buying the property under contract at the time the deduction application is filed. The surviving spouse is entitled to the deduction regardless of whether the property for which the deduction is claimed was owned by the deceased veteran or the surviving spouse before the deceased veteran's death. These amendments were effective upon passage of HEA 1546.

Section 3 amends IC 6-1.1-12-15 so that if a deceased veteran's surviving spouse is claiming a veteran deduction, the surviving spouse shall provide the documentation necessary to establish that at the time of death the deceased veteran satisfied the requirements of IC 6-1.1-12-13 or IC 6-1.1-12-14, whichever applies. This amendment was effective upon passage of HEA 1546.

Section 46 is a non-code section, effective upon passage of HEA 1546, which provides that IC 6-1.1-12-13 and IC 6-1.1-12-14, both as amended by HEA 1546, apply to assessment dates after December 31, 2011. A deceased veteran's surviving spouse who was denied a property tax deduction under IC 6-1.1-12-13 or IC 6-1.1-12-14 for the March 1, 2012 or March 1, 2013 assessment dates, but who qualifies for a deduction under IC 6-1.1-12-13 or IC 6-1.1-12-14, both as amended, may, before September 1, 2013, file with the county auditor a statement under IC 6-1.1-12-15 for the property tax deduction. If a deceased veteran's surviving spouse demonstrates in the statement that the property that is the subject of the deduction statement qualifies for a deduction under IC 6-1.1-12-13 or IC 6-1.1-12-14, both as amended, the deceased veteran's surviving spouse is entitled to:

- (1) the deduction from assessed value for the 2012 or 2013 assessment date, or both; and
- (2) a refund of the property taxes paid with respect to the denied amount for these assessment dates.

The county auditor shall make the property tax refund to the deceased veteran's surviving spouse within 30 days after the deceased veteran's surviving spouse files a statement that satisfies the requirements of IC 6-1.1-12-15. No interest is owed by the county on the refund. This non-code section expires July 1, 2014.

Section 19 adds IC 6-6-5-5.2, which enables veterans who do not own or are not buying property under contract (or their surviving spouses) to receive a credit toward vehicle excise taxes. This statute applies to a registration year beginning after December 31, 2013 and is effective July 1, 2013.

An individual may claim a credit against the excise tax on a vehicle owned by the individual if the individual is eligible for the credit under any of the following:

- (1) The individual meets all the following requirements:
  - (A) The individual served in the military or naval forces of the United States during any of its wars.
  - (B) The individual received an honorable discharge.
  - (C) The individual has a disability with a service connected disability of 10% or more.
  - (D) The individual's disability is evidenced by:
    - (i) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or
    - (ii) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a credit under this section.
  - (E) The individual does not own property to which a property tax deduction may be applied under IC 6-1.1-12-13.
- (2) The individual meets all the following requirements:
  - (A) The individual served in the military or naval forces of the United States for at least 90 days.
  - (B) The individual received an honorable discharge.
  - (C) The individual either:
    - (i) has a total disability; or
    - (ii) is at least 62 years of age and has a disability of at least 10%.
  - (D) The individual's disability is evidenced by:
    - (i) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs; or
    - (ii) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a credit under this section.
  - (E) The individual does not own property to which a property tax deduction may

be applied under IC 6-1.1-12-14.

(3) The individual meets both of the following requirements:

(A) The individual is the surviving spouse of any of the following:

(i) An individual who would have been eligible for a credit under this section if the individual had been alive in 2013 and this section had been in effect in 2013.

(ii) An individual who received a credit under this section in the previous calendar year.

(iii) A World War I veteran.

(B) The individual does not own property to which a property tax deduction may be applied under IC 6-1.1-12-13, IC 6-1.1-12-14, or IC 6-1.1-12-16.

The amount of the credit that may be claimed under this statute is equal to the lesser of the following:

(1) The amount of the excise tax liability for the individual's vehicle.

(2) \$70.

The maximum number of motor vehicles for which an individual may claim a credit is two. An individual may not claim a credit under both IC 6-6-5-5.2 and IC 6-6-5-5 (the statute that allows a person who *is* eligible for a veteran deduction under IC 6-1.1-12-13, 14, 16, or 17.4 to apply an unused amount of the deduction to excise taxes). This credit must be claimed on a form prescribed by the bureau of motor vehicles. An individual claiming the credit must attach to the form an affidavit from the county auditor stating that the claimant does not own property to which a property tax deduction may be applied under IC 6-1.1-12-13, IC 6-1.1-12-14, or IC 6-1.1-12-16.

### **Contact Information**

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